News Release

Nomura Individual Investor Survey

March 2023

16 March 2023

Global Research Division

Nomura Securities Co., Ltd.

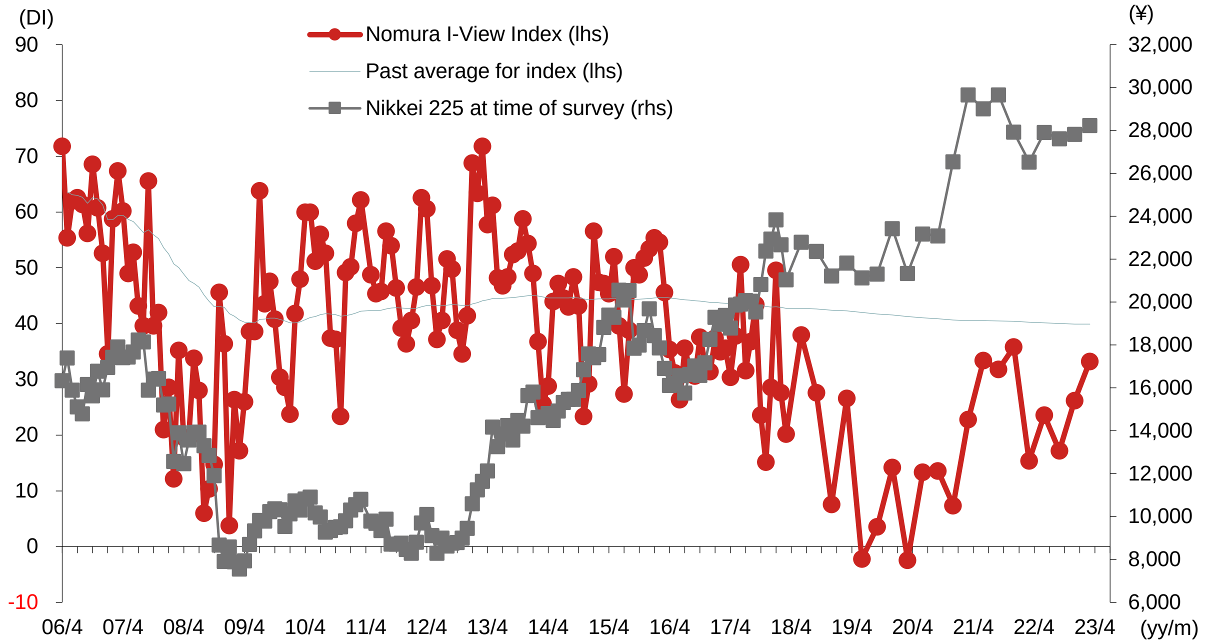
The Nomura Individual Investor Survey is a periodic survey conducted with the aim of better understanding investing activity by individuals and providing information on related trends.

1. Survey results

(1) Nomura I-View Index up from previous survey at 33.2

The Nomura Individual Investor Market View Index (Nomura I-View Index), based on respondents' three-month outlook for share prices and calculated by subtracting the percentage of responses for "fall" from that for "rise," was 33.2 in March 2023, up 7.0pt versus the previous survey. The Nikkei 225 reference level (6 March 2023 close) was 28,237.78, up 417.38 versus the previous survey (5 December 2022 close of 27,820.40).

Fig. 1: The Nomura I-View Index and reference level of Nikkei 225 at time of survey

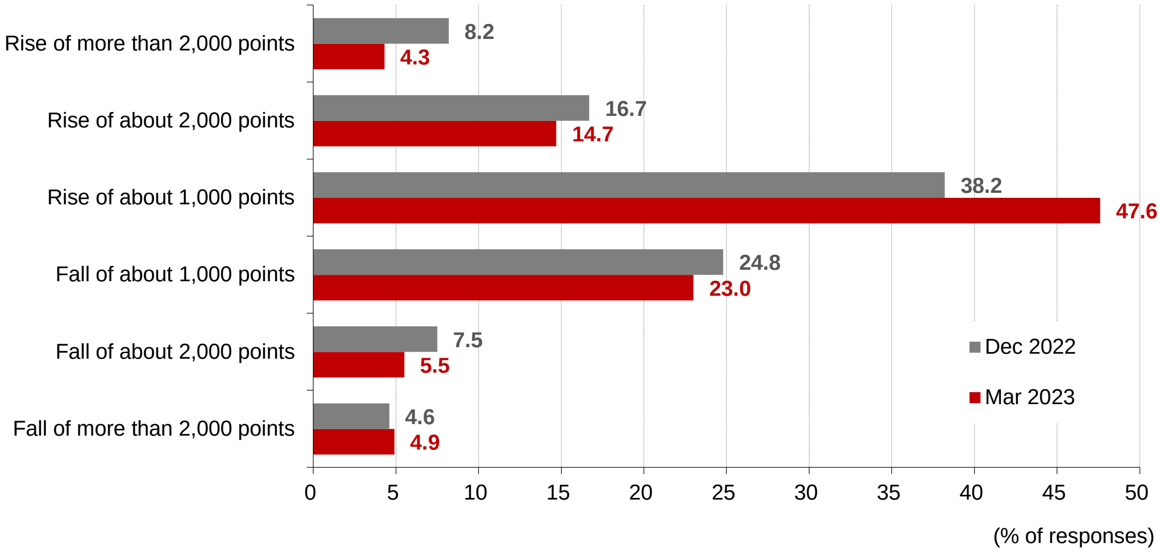


Note: (1) The Nomura I-View Index is based on data collected by this survey and expressed as a diffusion index (DI). The calculation method is as follows: ([(number of responses indicating expected rise in share prices in the next three months) minus (number of responses indicating expected fall in share prices in the next three months)] divided by number of respondents) x 100. The figure for January 2010 used here excludes those respondents who projected that the Nikkei Average would be flat. (2) The Nomura I-View Index ranges from -100 to +100. (2) The Nomura I-View Index ranges from -100 to +100. The closer to +100, the more bullish the outlook held by individual investors. The closer to -100, the more bearish the outlook held by individual investors.

The combined percentage of respondents expecting the Nikkei 225 to rise over the next three months was 66.6%, up 3.5ppt from 63.1% in the previous survey. The percentage of respondents expecting a "rise of about 1,000 points" was up 9.4ppt versus the previous survey at 47.6%. The proportion of respondents expecting a "rise of about 2,000 points" was down 2.0ppt at 14.7%, while the proportion responding with a "rise of more than 2,000 points" fell 3.9ppt to 4.3%.

The proportion expecting a "fall of about 1,000 points" declined 1.8ppt to 23.0%. The proportion expecting a "fall of about 2,000 points" was down 2.0ppt at 5.5%, while the proportion expecting a "fall of more than 2,000 points" was up 0.3ppt at 4.9% (Figure 2).

Fig. 2: Outlook for Nikkei 225 during the next three months

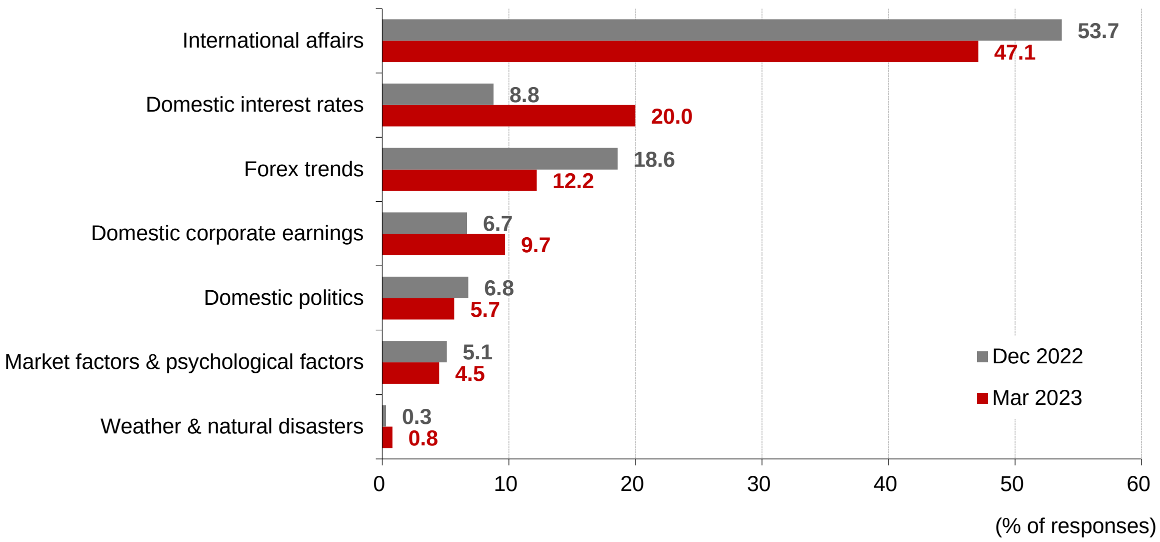


Note: Respondents were asked to share their outlook for the Nikkei 225 during the next three months based on the 6 March 2023 close of 28,238. Respondents could choose one answer from a possible six responses ranging from a rise of more than 2,000 points to a fall of more than 2,000 points, with 1,000-point increments in between.

(2) Stronger investor focus on domestic interest rates and domestic corporate earnings

Respondents were asked to select the factor most likely to affect the stock market over the next three months. The response rate for "domestic interest rates" rose 11.2ppt versus the previous survey to 20.0%. That for "domestic corporate earnings" rose 3.0ppt to 9.7%. That for "international affairs", on the other hand, fell 6.6ppt to 47.1%.

Fig. 3: Impact of factors on the stock market



Note: Respondents were asked to choose one answer from a possible seven responses concerning factors likely to impact the stock market over the next three months or so.

(3) Appeal of financials sector up, that of pharmaceuticals and capital goods/other sectors down

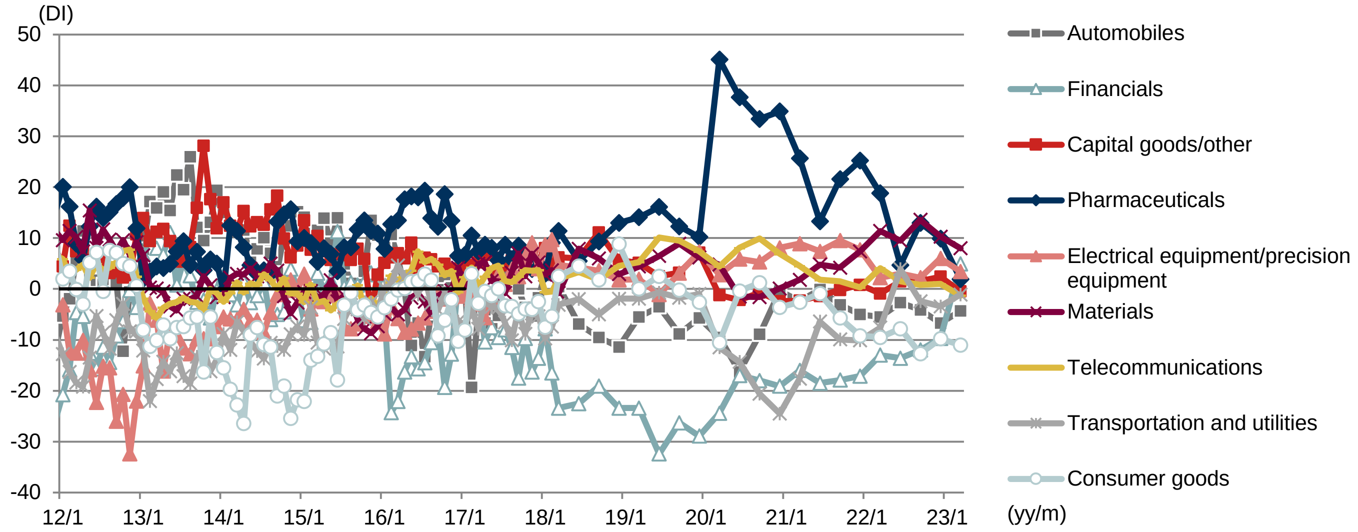
On the outlook for sectors over the next three months or so, we calculate a diffusion index (DI) for each sector by subtracting the percentage of respondents viewing it as "unappealing" from the percentage of respondents viewing it as "appealing." The DI for the financials sector increased 14.6ppt versus the previous survey to 4.9, turning positive for the first time since the February 2017 survey. By contrast, the DI for the pharmaceuticals sector declined 8.0pt to 1.9 and that for the capital goods/other sector fell 2.9ppt to -0.5 (Figures 4 and 5).

Fig. 4: Investment appeal by sector

Sector	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
Materials	8.0	18.1	10.1	10.3
Financials	4.9	19.1	14.2	-9.7
Electrical equipment/precision equipment	3.4	10.4	7.0	6.0
Pharmaceuticals	1.9	10.2	8.3	9.9
Capital goods/other	-0.5	7.4	7.9	2.4
Transportation and utilities	-1.1	11.7	12.8	-3.4
Telecommunications	-1.3	4.8	6.1	1.0
Automobiles	-4.3	6.7	11.0	-6.7
Consumer goods	-11.0	11.6	22.6	-9.8

Note: Respondents were given nine sectors and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. For each sector, we calculated a DI by subtracting the percentage of responses for "unappealing" from that for "appealing." The materials sector comprises mining, textiles, paper & pulp, chemicals, oil, ceramics, steel, nonferrous metals, and trading houses. The financial sector comprises banks, miscellaneous finance, securities, and insurance. The capital goods/other sector comprises construction, machinery, shipbuilding, transportation equipment, miscellaneous manufacturing, and real estate. The transportation and utilities sector comprises railroads & buses, trucking, shipping, airlines, warehousing, electric power, and gas. The consumer sector comprises marine products, food, retail, and services.

Fig. 5: DIs for selected sectors



(4) Most-watched stocks

Respondents were asked to name one stock that they would like to have in their portfolio, or that they find appealing, regardless of whether their investment horizon is the short term or long term (including stocks actually held). We show the most popular responses in Figure 6.

Fig. 6: Name a stock with appeal (1,000 valid responses)

Code	Company	No. of respondents	Code	Company	No. of respondents
7203	Toyota Motor	89	8411	Mizuho Financial Group	10
8306	Mitsubishi UFJ Financial Group	36	9984	SoftBank Group	10
2897	Nissin Foods Holdings	25	2702	McDonald's Holdings (Japan)	9
8058	Mitsubishi Corp	25	2802	Ajinomoto	9
8316	Sumitomo Mitsui Financial Group	24	4507	Shionogi	9
6758	Sony Group	21	4755	Rakuten Group	9
9432	NTT	20	7201	Nissan Motor	9
8267	Aeon	19	9020	East Japan Railway	9
8591	Orix	17	8035	Tokyo Electron	8
4502	Takeda Pharmaceutical	14	4063	Shin-Etsu Chemical	7
7974	Nintendo	14	6501	Hitachi	7
9101	Nippon Yusen	14	6861	Keyence	7
9433	KDDI	13	7267	Honda Motor	7
2914	Japan Tobacco	12	8031	Mitsui & Co	7
5401	Nippon Steel	12	8593	Mitsubishi HC Capital	7
9104	Mitsui O.S.K.Lines	12	9434	SoftBank Corp	7
9201	Japan Airlines	11	4452	Kao	6
9202	ANA Holdings	11	6178	Japan Post Holdings	6
4661	Oriental Land	10			

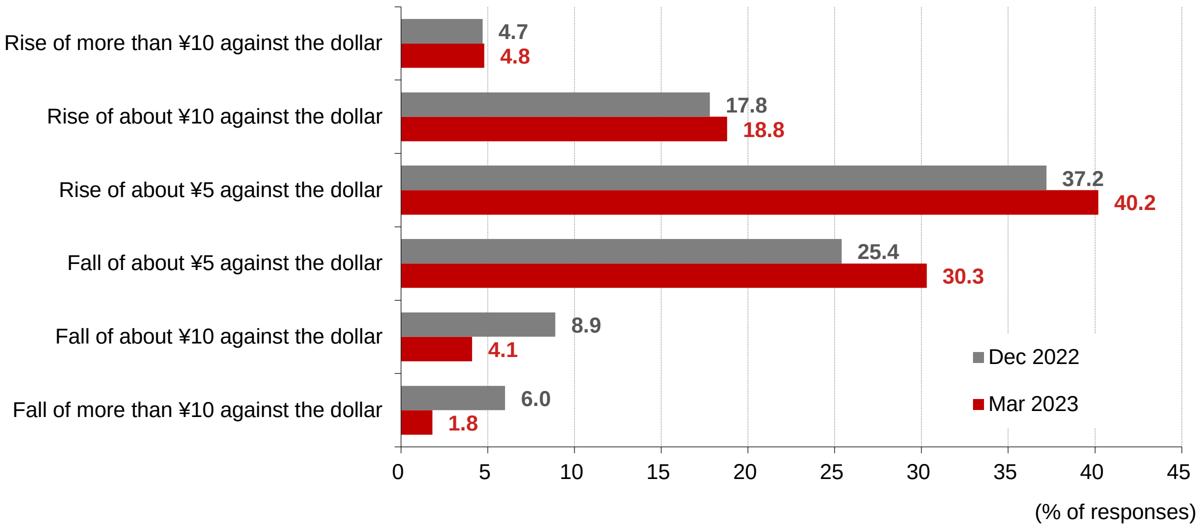
Note: Not included in valid responses were answers of "none" or clearly mistaken responses.

(5) Rise in percentage of investors expecting yen appreciation against US dollar

On the outlook for USD/JPY over the next three months, the combined percentage of respondents expecting the yen to appreciate against the US dollar was 63.8%, up 4.1ppt from the previous survey. The response rate for "rise of about ¥5 against the dollar" rose 3.0ppt versus the previous survey to 40.2%. The response rate for "rise of about ¥10 against the dollar" rose 1.0ppt to 18.8% and the response rate for "rise of more than ¥10 against the dollar" rose 0.1ppt to 4.8%.

The response rate for "fall of about ¥5 against the dollar" rose 4.9ppt to 30.3%. The response rate for "fall of about ¥10 against the dollar" fell 4.8ppt to 4.1%, while that for "fall of more than ¥10 against the dollar" fell 4.2ppt to 1.8% (Figure 7).

Fig. 7: Respondents' three-month outlook for USD/JPY



Note: Respondents were asked to share their outlook for USD/JPY over the next three months, referencing the 6 March 2023 indicative rate of 135.74. They could choose one answer from six possible responses ranging from a rise of more than ¥10 against the dollar to a fall of more than ¥10 against the dollar, with ¥5 increments in between.

(6) Investment appeal of US dollar, Chinese yuan rises

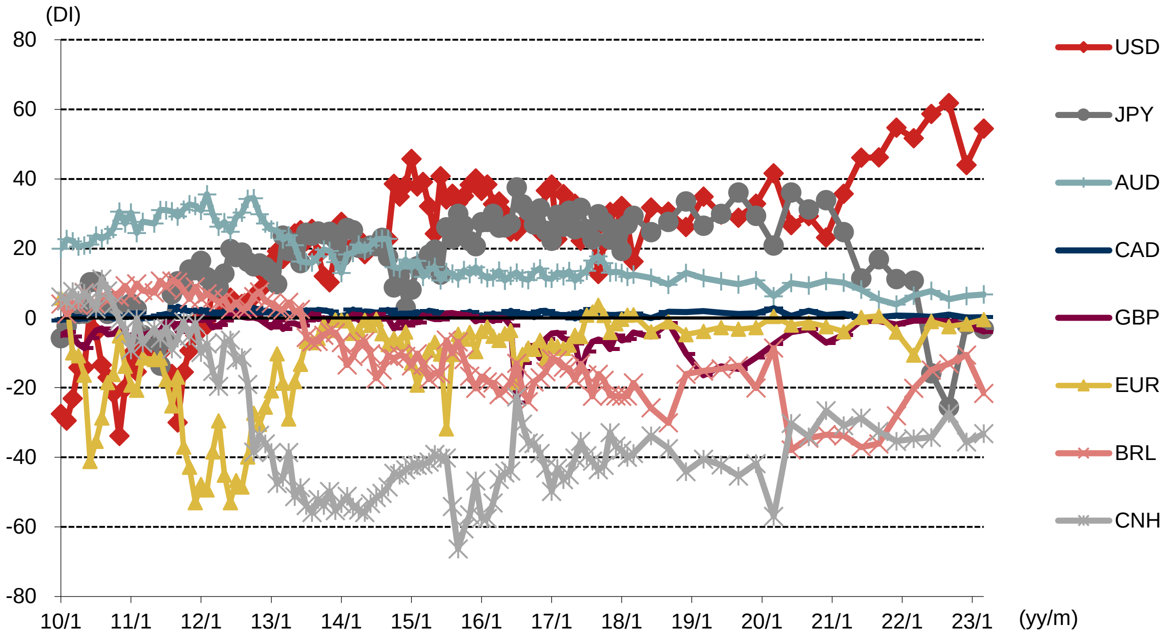
On the outlook for different currencies over the next three months, we calculate a DI for each currency by subtracting the percentage of responses for "unappealing" from that for "appealing." The DI for the US dollar yen rose 10.5pt from the previous survey to 54.5. That for the Chinese yuan rose 2.4pt to -33.2. At the same time, that for the Brazilian real fell 11.0pt to -21.6 (Figures 8 and 9).

Fig. 8: Investment appeal by currency

Currency	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Appealing	Unappealing	
US dollar	54.5	60.3	5.8	44.0
Australian dollar	6.8	8.3	1.5	6.4
Canadian dollar	0.3	1.2	0.9	0.2
Euro	-0.4	3.8	4.2	-1.7
Japanese yen	-3.1	22.6	25.7	-1.8
Pound sterling	-3.9	0.3	4.2	-2.1
Brazilian real	-21.6	0.6	22.2	-10.6
Chinese yuan	-33.2	1.7	34.9	-35.6

Note: Respondents were given nine possible responses, consisting of the above eight currencies and "other," and asked to choose one they viewed as an appealing investment target and one they viewed as unappealing. Those selecting "other" were asked to specify a currency.

Fig. 9: DIs for investment appeal of selected currencies



(7) Increased focus on Japanese equities and cash & deposits among financial instruments

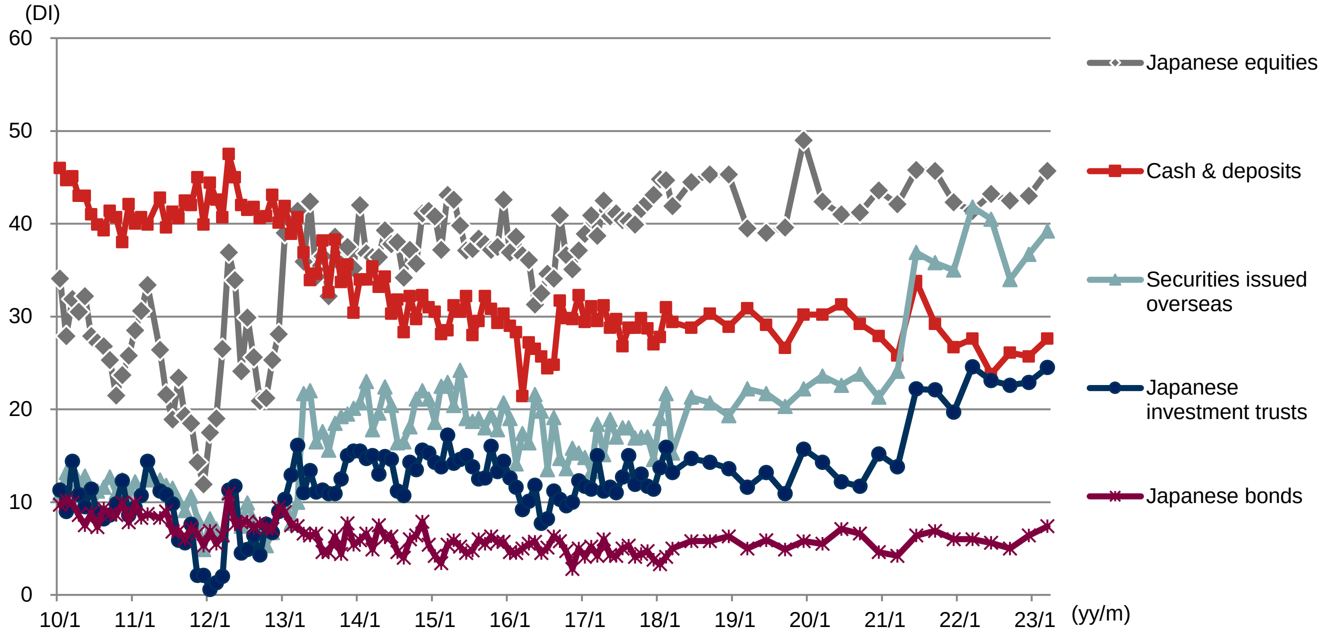
To give an indication of plans for holding financial instruments, we calculate DIs for each type of financial instrument by subtracting the percentage of respondents planning to cease holding the instrument or decrease their holdings from the percentage planning to hold the instrument for the first time or increase their holdings. The DI for Japanese equities rose 2.7pt to 45.7, while that for cash & deposits rose 1.9pt to 27.6. Meanwhile, the DI for foreign equities fell 0.1pt to 19.7 (Figure 10).

Fig. 10: Financial instruments for which investors are planning either to increase or to decrease their holdings

Financial instrument	DI	Breakdown of DI (% of responses)		(Ref) Previous DI
		Plan to increase	Plan to decrease	
Japanese equities	45.7	55.8	10.1	43.0
Cash & deposits	27.6	33.5	5.9	25.7
Japanese investment trusts	24.5	29.4	4.9	22.9
Foreign equities	19.7	21.3	1.6	19.8
Foreign investment trusts	13.3	14.1	0.8	12.1
Gold	10.4	10.6	0.2	9.3
Japanese bonds	7.4	9.0	1.6	6.4
Foreign bonds	6.2	6.5	0.3	4.8
Hybrid securities	3.2	3.4	0.2	2.5
Other	0.5	0.7	0.2	0.5
None	-56.6	24.0	80.6	-53.0

Note: Respondents were given a list of 11 responses and asked to choose those financial instruments for which they planned to increase their holdings and those for which they planned to decrease their holdings (multiple responses were allowed). "Plan to increase" refers to financial instruments that investors plan to hold for the first time or for which they plan to increase their holdings, while "plan to decrease" refers to instruments that investors plan to cease holding or for which they plan to decrease their holdings. Hybrid securities and gold were added to the list of choices from the February 2012 survey. Since the April 2013 survey, we have divided the former category of "Securities issued overseas" into "foreign equities", "foreign investment trusts", and "foreign bonds".

Fig. 11: DIs for financial instruments in which investors are planning either to increase or to decrease their holdings



Note: "Securities issued overseas" is the total for "foreign equities," "foreign investment trusts," and "foreign bonds."

(8) Higher percentage of respondents expect prices to be higher one year out

When asked for their outlook for prices of regularly purchased goods and services one year out, 70.6% of respondents selected a "rise" response, up 3.2ppt from last time. The percentage of respondents selecting a "no change" response was down 1.6pt at 10.8%. The proportion of respondents selecting a "fall" response fell 1.6ppt to 18.6% (Figure 12).

Fig. 12: Outlook for prices one year out

	Choices	% of responses	(Ref) Previous % of responses
1.	Fall of 5% or more	6.4	8.5
2.	Fall of 2% up to 5%	6.8	6.7
3.	Fall of less than 2%	5.4	5.0
4.	No change (0%)	10.8	12.4
5.	Rise of less than 2%	21.0	18.8
6.	Rise of 2% up to 5%	32.8	31.6
7.	Rise of 5% or more	16.8	17.0
	Total	100.0	100.0

Note: Respondents were asked to select one response to the question: "How do you expect prices of regularly purchased goods and services to differ from current levels one year out?"

(9) Preconditions for equity investment, TSE's calls for greater disclosure

The survey included spot questions on preconditions for equity investment and opinions on the TSE's calls for better disclosure.

When asked about preconditions for increasing equity investment, investors' most common response was "lower tax burden on equity investment" at 31.7%, up 2.5ppt from the March 2022 survey. The next most common response was "improvement in shareholder returns (dividends, share buybacks)" at 27.9%, up 2.3ppt (Figure 13).

Fig. 13: Preconditions for increasing equity investment apart from the macroeconomic environment

	Choices	No. of respondents	% of responses	Previous survey Mar 2022 (%)
1.	Lower tax burden on equity investment	317	31.7	29.2
2.	Improved visibility of corporate disclosures	43	4.3	3.8
3.	Enhanced financial services	57	5.7	4.3
4.	Improvement in shareholder returns (dividends, share buybacks)	279	27.9	25.6
5.	Greater confidence in politics and policy measures	136	13.6	18.9
6.	Easing anxieties over funds to cover living expenses in the future	164	16.4	16.5
7.	Other	4	0.4	1.7
	Total	1,000	100.0	100.0

Note: Respondents were asked to select one response to the question: "What do you think is the most important condition for you to increase equity investment other than improvements in the macroeconomic environment (economy, forex, corporate earnings, etc)?"

Next, we asked the 317 respondents who chose the "lower tax burden on equity investment" response in Figure 13 which was the most important factor for them to increase equity investment. The response "eliminating capital gains tax on equities" was chosen by the largest number of respondents, accounting for 43.5% of the total, down 6.5ppt. The second most common response was "eliminating taxes on share dividends" at 42.9%, up 11.1ppt (Figure 14).

Fig. 14: "Lower tax burden on equity investment" key factor

	Choices	No. of respondents	% of responses	Previous survey Mar 2022 (%)
1.	Eliminating capital gains tax on equities	138	43.5	50.0
2.	Eliminating taxes on share dividends	136	42.9	31.8
3.	Expanding scope of profit/loss aggregation for financial instruments	9	2.8	5.8
4.	Lowering inheritance tax on equities	13	4.1	3.8
5.	Expanding tax-exempt scope of defined contribution pensions	9	2.8	3.1
6.	Lowering taxes on gifts of long-term shareholdings	9	2.8	4.1
7.	Extending loss deferral period	3	0.9	1.4
8.	Other	0	0.0	0.0
	Total	317	99.8	100.0

Note: We asked the respondents who chose the "lower tax burden on equity investment" response in Figure 13 to choose one response to the question: "What specific measure in terms of reducing taxes on equity investment do you think is most important for you to increase equity investment?"

Next, we asked respondents' views on the increase in information disclosure from the TSE's calls on listed companies to improve disclosure. The most common response was that because this information is a useful reference when selecting investment targets, disclosure should be mandatory rather than requested (39.0%). The next most common response, at 29.5%, was that while this information is a useful reference when selecting investment targets, disclosure decisions should be left up to individual companies (29.5%) (Figure 15).

Fig. 15: Disclosure by listed companies (1)

	Choices	No. of respondents	% of responses
1.	Because this information is a useful reference when selecting investment targets, disclosure should be mandatory rather than requested	390	39.0
2.	While this information is a useful reference when selecting investment targets, disclosure decisions should be left up to individual companies	295	29.5
3.	Little opportunity to use disclosure information because of short investment horizon or other reason	61	6.1
4.	Cannot judge without seeing actual disclosure, don't know	252	25.2
5.	Other	2	0.2
	Total	1,000	100

Note: Respondents were asked to select a single response to the question: "The TSE calls on companies listed on the Prime and Standard markets to disclose policies and specific measures to improve capital efficiency. It also calls on companies listed on the Prime Market to disclose the state and content of communication with investors. How do you feel about this increased disclosure of information?"

Next we asked about views on disclosure about corporate sustainability (longer-term growth potential). The most common response was that such disclosure is useful as it can clarify longer-term policies (48.8%). The next most common response was that while the amount of information increases, it is not very meaningful as it does not guarantee longer-term growth (33.2%) (Figure 16).

Fig. 16: Disclosure by listed companies (2)

	Choices	No. of respondents	% of responses
1.	Disclosure is useful as it can clarify longer-term policies	488	48.8
2.	While the amount of information increases, it is not very meaningful as it does not guarantee longer-term growth	332	33.2
3.	The amount of disclosure increases, but this is not useful as it is unclear whether crucial information is included	178	17.8
4.	Other	2	0.2
	Total	1,000	100

Note: Respondents were asked to select a single response to the question: "Companies with March year-ends are being called upon to substantially increase disclosure about corporate sustainability (longer-term growth prospects) including information on climate change and human capital, beginning with their next securities filings. How do you feel about this increased disclosure of information?"

Finally we asked about calls for disclosure of the percentage of women managers and the gap in pay between men and women. The most common response at 44.6% was that mere disclosure of numbers just accentuates the disparity without making a real difference. The next most common, at 34.9%, was that such disclosure can help create an environment in which women can work and thrive (Figure 17).

Fig. 17: Disclosure by listed companies (3)

	Choices	No. of respondents	% of responses
1.	Such disclosure can help create a corporate environment in which women can work and thrive	349	34.9
2.	Mere disclosure of numbers just accentuates the disparity without making a real difference	446	44.6
3.	A focus on disparities between men and women reduces the focus on other ways to cultivate human resources such as reskilling	199	19.9
4.	Other	6	0.6
	Total	1,000	100

Note: Respondents were asked to select a single response to the question: "Companies with March year-ends are being called upon to disclose the ratio of women managers, gender pay gap, and percentage of male employees taking childcare leave, beginning with their next securities filings. How do you feel about this increased disclosure of information?"

2. Nomura Individual Investor Survey

With the aim of better understanding investing activity by individuals and providing information on those trends, Nomura Securities periodically conducts a survey—the Nomura Individual Investor Survey. The results of the survey have been published since April 2006.

Survey method: Questionnaire conducted electronically using the internet monitor questionnaire service administered by Nomura Investor Relations Co., Ltd.

Survey target: Survey sent to 3,000 individual investors randomly selected from the approximately 24,000 with equity investment experience participating in Nomura Investor Relations' internet monitor questionnaire service

Number of responses: 1,000 (survey closed when 1,000 responses received)

Survey period: Survey distributed on 6 March 2023, with deadline for responses on 7 March 2023

Survey content: Questions included each time are: (1) share price outlook; (2) factors expected to impact the stock market; (3) attractive sectors and stocks; (4) USD/JPY outlook and attractive currencies; (5) financial instruments for which investors plan to change their holdings; and (6) inflation outlook (since July 2013). Respondents are also asked spot questions each time and queried about their personal profiles.

3. Nomura Individual Investor Survey (March 2023) respondents

Gender: Male (85.4%), female (14.6%)

Age: Under 30 (1.4%), 30–39 (7.5%), 40–49 (16.0%), 50–59 (24.5%), 60 and above (50.6%)

Occupation: Self-employed/fisheries, agriculture, forestry (7.3%), professional (physician/medical professional, lawyer, etc) (2.1%), company management/board member (4.1%), company employee/public servant (44.6%), student (0.0%), full-time homemaker (6.0%), part-time worker/casual worker/job-hopper (6.0%), unemployed/pensioner (28.0%), other (1.9%)

Region: Kanto (52.0%), Kinki (17.5%), Tokai/Koshinetsu/Hokuriku (14.9%), Hokkaido/Tohoku (5.0%), Chugoku/Shikoku/Kyushu (10.6%)

Financial assets held: Less than ¥1,000,000 (6.5%), ¥1,000,000–¥2,999,999 (10.1%), ¥3,000,000–¥4,999,999 (10.7%), ¥5,000,000–¥9,999,999 (18.6%), ¥10,000,000–¥29,999,999 (28.4%), ¥30,000,000–¥49,999,999 (10.7%), ¥50,000,000 or more (15.0%)

Value of Japanese stocks held: Less than ¥500,000 (12%), ¥500,000–¥999,999 (11.2%), ¥1,000,000–¥2,999,999 (21.3%), ¥3,000,000–¥4,999,999 (16.9%), ¥5,000,000–¥9,999,999 (15.8%), ¥10,000,000–¥29,999,999 (14.9%), ¥30,000,000 or more (7.9%)

Investment experience: Less than three years (8.9%), at least three years but less than five years (8.0%), at least five years but less than 10 years (17.4%), at least 10 years but less than 20 years (26.7%), 20 years or more (39.0%)

Investment plan for Japanese stocks: Mainly for long-term holding (48.3%), pursuit of gains from short-term appreciation (11.5%), pursuit of dividends and shareholder perks (28.3%), no particular plan (11.9%)

Notice

The next Nomura Individual Investor Survey (June 2023) is scheduled for release on Thursday, 15 June 2023.

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